

Analysis of the Influence of Leadership as a Moderation between Organizational Culture and Employee Performance at Contracting Companies in Medan



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ABSTRACT: One of the factors affecting employee performance is leadership style. Leadership is one of the easiest to observe phenomena, but the most difficult to understand. As an important factor that moves, directs, and coordinates various other factors in the organization, leadership has been defined by individual traits. This study aims to analyze the influence of leadership as a moderation between organizational culture and employee performance. The type of research used is descriptive quantitative, and explanatory research. This research was conducted at CV Medan Mas Kontraktor, in March 2022. The total population in this study was 99 people, with sampling techniques using a total sample. Data collection techniques use questionnaires and in-person interviews. The research instrument carried out validity and reliability tests. The data analysis was used using univariate, bivariate, and multivariate analysis, namely multiple regression tests, determinant coefficients, F tests, and T-tests. Leadership variable research results partially had a positive and significant effect on employee performance at CV Medan Mas Kontraktor with a calculated value of $t > t\text{-tabel}$ ($4.122 > 1.98$) with a significant value of $0.001 < 0.05$. Organizational Culture partially has a positive and significant effect on the performance of CV Medan Mas Kontraktor. The dominant leadership variable in improving performance at PT Sumut Jaya with a calculated value of $t > t\text{-tabel}$ ($5.4.12 > 1.98$) with a significant value of $0.014 < 0.05$. In conclusion, leadership and organizational culture simultaneously have a positive and significant effect on employee performance on CV Medan Mas Kontraktor with the value of the Coefficient of Determination (R^2) is 78%, the remaining 22% is explained by independent variables that are not studied, supervision, workload, and others.

KEYWORDS: leadership, organizational culture, performance.

I. INTRODUCTION

Today leaders and organizations are faced with tougher challenges due to technological advances, rapid changes, open government policies, and complex employment issues. To anticipate this to achieve organizational goals, various appropriate strategies are needed to realize effective leaders, who have competence, commitment, and integrity (1); (2). One of the factors affecting employee performance is leadership style (3). Leadership is one of the easiest to observe phenomena, but the most difficult to understand. As an important factor that moves, directs, and coordinates various other factors in the organization, leadership has been defined in relation to individual traits, behavior, influence on others, patterns of interaction, role relationships, its place in an administrative position as well as the perception of others regarding the validity of the influence (4). Theory Organizational culture is the basic values in an organization that are believed by all members of the organization, organizational culture becomes part of the life of an organization that affects the attitudes, behavior and performance of employees in achieving organizational goals. Organizational culture serves as a source of energy in achieving high performance, where a strong organizational culture can be a supporting factor for the performance of organizational members. Employee performance is one of the factors that determine the success of the company. Performance is an achievement shown by employees. This is the result achieved in carrying out the tasks charged based on the skills, experience, earnestness, and time available. Performance is a record of outcomes resulting from a specific job function or activity over a period of time (5). From the above, it is understood that performance is an achievement achieved by an employee based on established standards and measures. This study aims to analyze the influence of leadership as a moderation between organizational culture and employee performance in contracting companies in Medan in 2022.

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II. LITERATUR REVIEW

Distinguishing the success or failure of a leader is not seen from the behavior or attributes he has, but rather considers whether his followers are productive or satisfied. To be able to become an effective leader, a leader must be able to influence others with various types of power combinations in order to be willing to work in accordance with the goals of the organization (5); (6). This ability to influence will have a very large impact on the organization, because it shows that the leader can carry out his role in mobilizing, directing, and coordinating various other factors in the organization in order to improve organizational performance. Related to the role of leaders in influencing their followers, an effective leadership pattern is needed that will be applied in the organization in order to achieve better organizational performance. The answer to this is closely related to leadership theories. Based on this explanation, it is concluded that based on the characteristic approach of leadership, the traits or characteristics of the leader in streamlining the organization through its members consist of:

1. Intelligence (Intelligence). Leaders who are able to streamline the organization to achieve goals, generally have intelligence above the average of their followers.
2. Maturity and freedom of social views. Leaders who are able to streamline the organization to achieve goals, generally have emotional maturity above the average of their followers, so they are always able to control critical situations.
3. Have motivation and desire for achievement (Drive). Leaders who are able to streamline the organization, in general, have a great motivation to get things done well compared to their followers.
4. Interpersonal Relationships. Leaders who are able to streamline the organization to achieve goals, in general know that his efforts to achieve something depend largely on others, in particular the members of his organization.
5. Integrity, refers to the tendency and honesty to translate words into deeds. Leaders have a higher moral capacity in resolving various dilemmas based on prevailing values.

Organizations with a strong culture will influence the behavior and effectiveness of employee performance (7). Employee performance is interpreted as the result of work / activities over a certain period of time carried out by individuals or groups for work units or employee-oriented organizations, external and internal perspectives of employees, and perspectives of employee knowledge and learning (8). In addition, the application of culture in a company will also shape the character of its employees by itself in carrying out their duties and achieving the goals of the company (9).

III. RESEARCH METHODS

The type of research used is descriptive quantitative, and explanatory research. This research was conducted at CV Medan Mas Kontraktor, in March 2022. The total population in this study was 99 people, with sampling techniques using a total sample. Data collection techniques use questionnaires and in-person interviews. The research instrument carried out validity and reliability tests. Data analysis used using univariate, bivariate, and multivariate analysis, namely multiple regression tests, determinant coefficients, F tests, and T-tests.

IV. RESULT AND DISCUSION

Table 1. Characteristics of Respondents by Gender

No	Gender	Sum	Percentage
1	Woman	6	6.00%
2	Man	93	94%
	Total	99	100%

Source: Research Data Processing Results, 2022

In Table 1, it can be seen that of the 99 respondents in this study, 6 (6%) respondents were employees of the female sex, while 93 (94%) of respondents were employees of the male sex. This is because in terms of the type of work that involves in contractor services, the company requires a lot of manpower that can work physically. That's why pt. Sumut Jaya Makmur is dominated by male employees.

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Table 2. Characteristics of Respondents by Age

No	Age	Sum	Percentage
1	< 25 years old	65	66%
2	25 s/d 40 years old	24	24%
3	>40 years old	10	10%
	Total	99	100%

Source: Research Data Processing Results, 2022

On the table. 2, it can be concluded that of the 99 respondents in this study, the majority of respondents were employees of employees under the age of 25 years 66 people (66%), 24 (24%) respondents were employees aged 25-40 years, 10 (10%) respondents were employees aged >40 years.

Table 3. Characteristics of Respondents Based on Length of Service

No	Service Life	Sum	Percentage
1	< 3 years	12	12%
2	3-6 years	24	24%
3	7-10 years	53	54%
4	>10 years	10	10%
	Total	99	100%

Source: Research Data Processing Results, 2022

In Table 3, it can be concluded that of the 99 respondents in this study, the majority of respondents worked with a working period of 7 -10 years, and the least were workers who worked with a working period of >10 years.

Table 4. Multiple Linear Analysis

Model	Coefficients ^a		
	Unstandardized Coefficients		Standardized
	B	Std. Error	Beta
(Constant)1	7,011	1,576	
Leadership	-,071	,046	-,241
Budaya_organisasi	,006	,053	,009

Source: Research Data Processing Results, 2022

Based on table 4. Hence the multiple linear regression equation in this study as follows: $Y = 7,011 - 0,071 X_1 + 0,006X_2$

1. The regression constant value of 7,011 means that if leadership (X_1) and organizational culture (X_2) = 0 then performance will increase by 7,011.
2. The regression coefficient X_1 for the leadership variable is negatively valued at 0.071 meaning that the influence of the leadership variable is in the direction of the performance improvement. This shows that leadership variables have a negative influence in improving performance. Partially the leadership variable affects performance, the point is, the leadership variable is quite decisive in improving performance.
3. The regression coefficient X_2 for the organizational culture variable is positively valued at 0.006 meaning that the influence of the organizational culture variable is in the same direction as the performance improvement. This shows that the variable Organizational culture has a positive influence in improving performance.

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Table 5. Coefficient of Determination Value (R Square)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,827 ^a	,889	,786	3,54444

Source: Research Data Processing Results, 2022

Based on table 5. Above the adjusted R Square value is 0.786, meaning that the ability of the leadership variable (X1) and organizational culture(X2) can explain the variation from performance is 78%, the remaining 22% is explained by unexplored independent variables such as supervision and workload.

Table 6. Simultaneous Hypothesis Testing Results / F Test

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2725,956	2	1362,978	95,434	,023 ^b
Residual	1261,872	97	14,021		
Total	3987,828	99			

Source: Research Data Processing Results, 2022.

In table 6. obtained result F Calculate 95.434 while F Table on $\alpha = 0.05$ with numerator degree 2 and denominator degree 97 obtained F table 1.98 from this result it is known F calculate > F table, and significance 0.023 or less than $\alpha = 0.05$ so the position of the significance test point is in the area of rejection H0 or it can be concluded H1 is accepted which means that the variables of leadership and organizational culture together have a positive and significant effect on performance.

Table 7. Hypothesis Test Results Partially / Test t

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,570	2,568		,611	,543
1 Leadership	,334	,075	,389	4,122	,001
Organizational culture	,507	,087	,402	5,412	,014

Source: Research Data Processing Results, 2022

In table 7. Partial test results obtained as follows:

1. The calculated t value for the leadership variable (4.122) is greater than the table t value (1.98), or the sig t value for the leadership variable (0.001) is smaller than the alpha (0.05). Based on the results obtained, it rejected Ho and accepted H1 for the leadership variable. Thus, partially work stress has a positive and significant effect on performance. This means that Leadership has a real influence in improving performance.
2. The calculated t value for the Organizational culture variable (5.412) is greater than the table t value (1.98), or the sig t value for the organizational culture variable (0.014) is smaller than alpha (0.05). Based on the results obtained, it rejects H0 and accepts H1 for organizational culture variables. Thus, partially organizational culture has a positive and significant effect on performance. This means that the existence of organizational culture has an impact on improving performance.

The results of research that have been carried out together with leadership and organizational culture have a positive and significant effect on the performance of CV Medan Mas Kontraktor. This shows that leadership and organizational culture have a real influence in improving performance. Performance is the result of work that can be obtained by workers, a management

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process or an organization as a whole, where the results of the work can be shown concrete evidence both in terms of quality and quantity (3).

The results of this study obtained that the leadership variable had a positive and significant effect on the performance of CV Medan Mas Kontraktor by having a calculated value of 4,122 and a t tabel value of 1.98, then the calculated value of $> t$ tabel ($4,121 > 1.98$) with a significant value of $0.001 < 0.05$. Based on these results, the hypothesis of this study proved to be correct. The results of this study are supported by research conducted by Edasa and Putra (2015) that leadership styles have a positive and significant effect on employee performance. However, the study contradicts the results of research from Liyas (2017) which found that leadership styles have an insignificant positive effect on employee performance (10). Supported by Lengkong's research, (2015) in his research, namely the Influence of Leadership, Division of Labor, and Compensation on Employee Performance at PT. Manado Water. The purpose of this study is to determine the influence of leadership, division of labor, and compensation on employee performance. By using the method of multiple regression analysis. The sample used was 254 employees. The results showed that leadership, division of labor, and compensation simultaneously and partially had a positive and significant effect on employee performance (11).

Masambe, (2015) in his research, namely the influence of leadership style, organizational culture, and leader innovation on the performance of Daihatsu Kharisma Manado employees. The purpose of this study is to analyze the influence of leadership style, organizational culture, and leadership innovation on employee performance. The sample used was 37 employees. The method used is multiple regression analysis. The results of his research show that leadership style, organizational culture, and leader innovation are simultaneously influential. Partially the influence of leadership style and leader innovation has a good and positive effect on employee performance. Meanwhile, the influence of organizational culture on employee performance does not have a significant and negative effect (12).

The results of this study obtained that the variables of organizational culture have a positive and significant effect on the performance of CV Medan Mas Kontraktor by having a calculated value of 5,412 and a t tabel value of 1.98, then the calculated value of $> t$ tabel ($5,412 > 1.98$) with a significant value of $0.014 < 0.05$. Based on these results, the hypothesis of this study proved to be correct. The results of this study are supported by Wahyuni's research (2017), with the title The Influence of Organizational Culture, Locus of Control, Leadership on the Performance of Local Government Officials and Job Satisfaction as Intervening Variables. Where the results of his research, show that organizational culture variables affect the performance of local government officials, locus of control affects the performance of local government officials and leadership affects the performance of local government officials (13); (14). In general, performance is influenced by two factors, namely internal and external factors (15). Internal factors are factors that come from within the employee, which include job satisfaction and locus of control. Meanwhile, external factors are factors that come from outside the employee which include leadership, security, work safety, and organizational culture. In contrast to the results of Masambe's research (2015), which states that Organizational Culture does not have a positive and significant effect on the Performance of Daihatsu Kharisma Manado Employees. By calculating the results of the calculation of multiple regression analysis it is known that the organizational culture obtained a value of less than t- count and significantly greater than that of the t-table. Thus, Daihatsu Kharisma Manado Organizational Culture through this research is considered weak by research respondents so management needs to strive to improve Organizational Culture, especially those related to Employee Performance (12).

CONCLUSIONS

From the results of research and discussion, the conclusion that can be drawn is that leadership partially has a positive and significant effect on employee performance at CV Medan Mas Kontraktor with a calculated value of $> t$ tabel ($4,122 > 1.98$) with a significant value of $0.001 < 0.05$. Organizational Culture partially has a positive and significant effect on the performance of CV Medan Mas Kontraktor. The dominant leadership variable in improving performance at PT Sumut Jaya with a calculated value of $> t$ tabel ($5.4.12 > 1.98$) with a significant value of $0.014 < 0.05$. Leadership and Organizational Culture simultaneously have a positive and significant effect on employee performance on CV Medan Mas Kontraktor with a coefficient of determination (R^2) value of 78%, the remaining 22% is explained by independent variables that are not studied, supervision, workload, and others.

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